

November 30, 2010

Honorable Joel Sheltroun
S1387 House Office Building
P.O. Box 30014
Lansing, MI 48909

Dear Representative Sheltroun,

I would like thank you and the committee members for addressing Senate Bill 1515 in your House Tourism, Outdoor Recreation and Natural Resources committee. This bill represents a very important issue for the state's tourism industry, for Michigan jobs and for local economic enhancement strategies.

This bill is a local self-help economic development and jobs bill that is supported by Convention & Visitor Bureaus throughout Michigan. This bill is separate from any efforts and needs for the state's *Pure Michigan* campaign as this bill is for local efforts as opposed to State wide promotion needs. As a matter of fact, this bill complements and strengthens the state's efforts with the *Pure Michigan* campaign as CVBs throughout Michigan partner with this important campaign.

This bill will allow local communities throughout the state that are operating under PA395 of 1980 (amended PA59 of 1984) to enhance their local marketing efforts by allowing an increase in the local assessment from the statutory cap of 2 percent to a maximum cap of 5 percent.

This bill does not ask for any funds from the state and it does not mandate a change in the local assessments. Rather, it enables communities to review their needs and determine if there is local support for an increase to enhance their funding in order to strengthen their local marketing activities.

The local assessment cannot be changed without the approval of the local CVBs Board of Directors and then by a vote of their local lodging facilities to modify this self-assessment. It is anticipated that some communities may choose to remain at the 2 percent level for now and some will choose to increase their assessment to a level somewhere between the current 2 percent and the new 5 percent cap – depending on the desired marketing initiatives for their community.

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Different communities will have different needs and different economic development strategies, and this bill appropriately recognizes this important point by allowing the community to choose for itself within a range (capped at 5%). This is a much more prudent and responsive way to stimulate local economic development as opposed to choosing some uniform, flat rate statewide that everyone must accept – regardless of needs.

There is one thing we do know. One of the few areas of our economy that shows promise for job retention and growth is our local tourism industries. If we can be given the opportunity and ability, our local communities can choose to invest in their local tourism businesses to grow more jobs and develop new economic development opportunities.

The communities that will benefit from this amendment are mostly smaller and more rural communities throughout the state. This includes communities ranging from Sault Ste. Marie to South Haven and from Traverse City to Port Huron.

CVBs in the larger more urban markets such as Grand Rapids, Battle Creek, Flint, Lansing, Kalamazoo and others that operate under different statutes are already at a 5 percent level or higher. In some cases these larger communities receive funding from several statutes.

The assessment cap of 2 percent in our statute has been in place for 30 years. However, the costs associated with CVB operational issues and the need to engage in the proliferation of new media outlets have outpaced room rates over the years resulting in an erosion of CVBs marketing funds to effectively promote its community's tourism assets.

Marketing costs including purchasing media, printing brochures and material distribution costs have gone up significantly over the past 30 years. And because there are many more ways that people receive their information today compared to 30 years ago, CVBs are required to engage in many new media sources than ever before to have a balanced multi-faceted marketing strategy.

In addition, due to the Internet and the many travel information sources there are today everyone has become their own travel agent causing consumers to seek out new destination experiences. This, along with the number of new media outlets, has created additional competition in the marketplace to lure travelers to our communities.

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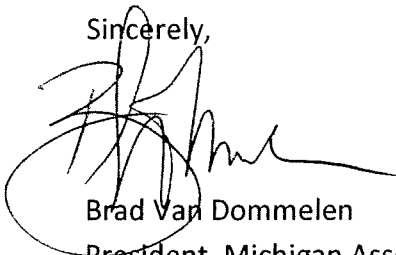
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Due to these new travel trends, and Michigan's economic challenges, we can no longer depend on Michigan residents alone (like we used to) to effectively support our tourism industry. Therefore, we have no other alternative; we must create multi-faceted campaigns to reach today's audience and deploy campaigns in new markets outside of Michigan to grow our business.

Lastly, a strong local strategy that enhances and builds a vibrant tourism economic base benefits the entire community well beyond just resorts, hotels and motels including: restaurants, retail stores, gas stations, automotive repair shops, golf courses, convenience stores, entertainment venues and many more businesses. A strong tourism industry has far reaching economic tentacles that positively impact the entire community.

Thank you for your time and we hope that you will support the passage of this bill. With tourism being one of our states largest industries the passage of this bill will empower local communities to strengthen their economic vitality. By strengthening local communities we strengthen Michigan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Van Dommelen', is written over a circular stamp or seal.

Brad Van Dommelen

President, Michigan Association of Convention & Visitors Bureaus

President, Traverse City Convention & Visitors Bureau

Cc: Senator Patrica Birkholz
Tourism, Outdoor Recreation and Natural Resources Committee members
Brendan Ringlever, MLC